

Moro proposal - presented to City Council 7/11/83

PROPOSAL

This proposal is intended to provide adequate annual funding for the police and firemen's pension plans and to gradually reduce the unfunded prior service liabilities of both plans without the necessity of a tax increase.

It does not address the city's unfunded indebtedness, because I believe our road to recovery must be taken one step at a time. This applies only to the pension plans and their condition.

Success of the proposal will require the cooperation of the mayor, the city council, the police and firemen, and the state auditor general. The only way we can resolve the problems we have with the pension plans is if we all work together and are all willing to do and contribute our part. The active police and firemen must understand that this proposal is intended to guarantee their pension plans' solvencies. Thus, they will have to contribute just as the taxpayers are asked to contribute. We can't lay the entire burden on the taxpayers.

Should the mayor and council give preliminary acceptance to my proposal, I suggest a series of meetings be arranged with active police and firemen so that these proposals may be explained and discussed. Additional input may even open up further ways of improving on this.

Nothing in my proposal will in any way change benefits to retirees or survivors.

Charlotte Moro

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cc: Mayor Mancuso
Joe Masco
Councilman Toierico
Councilman McMyne
Councilman Grecco
Councilman Calzola
Councilman McDonough
Councilman Leo
John Cerra
Mary Milligan
Chief Dottle
Chief Burrell

*[figures based on 82
audit and 83 budget]*

PROPOSAL

The municipality is required by Third Class City Code to contribute no less than one half ($\frac{1}{2}$) percent nor more than three (3) percent of all general fund tax revenues into each of the pension plans on an annual basis.

The 1982 Budget appropriation lists \$15,000.00 for the police plan and \$6,500.00 for the firemen's plan. While both appropriations were within the amounts required by Third Class City law, they did not accommodate any reduction of unfunded prior service liabilities. But more importantly, the appropriated amounts were not paid into the plans. The municipality has likewise failed to contribute budgeted appropriations to the plans for the years 1979, 1980, 1981 and 1982. The failure to properly dispose of budgeted appropriations is a violation of the budget ordinance.

There are two principal problems with the pension plans:

- (a) The annual contribution is insufficient.
- (b) No efforts have been made to fund the unfunded prior service liabilities.

To overcome these problems we propose:

- (a) Council create by ordinance a restricted fund annually supported by three (3) mills. The ordinance establishing this fund should contain provisions that no monies may be transferred from this fund to another fund under any circumstances. Revenues in this special Pension Fund would be used only for the annual contribution to the pension plans and to reduce unfunded prior service liabilities.